

VZCZCXRO1186
RR RUEHDBU RUEHFL RUEHKW RUEHLA RUEHNP RUEHROV RUEHSL RUEHSR
DE RUEHVJ #0934/01 2121017
ZNY CCCCC ZZH
R 311017Z JUL 09
FM AMEMBASSY SARAJEVO
TO RUEHC/SECSTATE WASHDC 0598
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RUEKJCS/JCS WASHINGTON DC
RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 SARAJEVO 000934

SIPDIS

EUR/SCE FOR HYLAND, FOOKS; NSC FOR HELGERSON

E.O. 12958: DECL: 07/31/2019
TAGS: [PREL](#) [PGOV](#) [PINR](#) [KDEM](#) [BK](#)
SUBJECT: BOSNIA - HIGHREP PUTS TEMPORARY LID ON BUBBLING
MOSTAR CAULDRON

REF: SARAJEVO 565

Classified By: Ambassador Charles English. Reasons 1.4 (b) and (d).

11. (C) SUMMARY. Ten months after the October 2008 municipal elections, Mostar's elected officials have yet to find a resolution to the city mayor stalemate (Reftel). As a result, the Mostar City Council is unable to adopt a permanent budget and therefore pay city employees. Disgruntlement with the budget crisis resulted in a decision by HighRep Valentin Inzko to extend temporary financing for city administration employees but not for elected officials. Inzko's move provides only a temporary solution to the stalemate, which unclear voting guidance in the Mostar Statute exacerbates. State-level leaders of the main parties embroiled in this issue -- the Bosniak Party of Democratic Action (SDA) and the Croatian Democratic Union (HDZ)-BiH -- are keeping their distance from this issue, reluctant to take a political risk ahead of the 2010 general election campaign. The HighRep may have forestalled an angry populace from taking their protests further, but his measures may not suffice to put in place a lasting solution in this contentious city. END SUMMARY.

No Mayor Means No Money

12. (C) Shortly after the 2008 municipal elections, the Mostar City Council passed an interim financing package to cover the salaries of the city administration employees while the political parties forged an agreement on the mayoral post. (Note: Unlike every other Bosnian locality except Brcko and the City of Sarajevo, Mostar does not directly elect its mayor; the governing coalition appoints the mayor. End Note) This temporary funding expired on March 31, however, and -- as SDA, HDZ-BiH, and the smaller National Party of Work for Progress (NSRzB) had failed to strike a deal -- city employees stopped receiving paychecks. HDZ-BiH lobbied to pass additional interim finance packages because the acting mayor, HDZ-BiH member Ljubo Beslic, controls the interim budget, and its adoption would alleviate the pressure on HDZ-BiH to compromise on the election of a new mayor. SDA opposed this initiative, though, because veto power over the budget is one of the few levers Bosniaks have in negotiations on the mayoral position. As a result, city officials protested throughout the summer, culminating in an initiative by the city's firemen in July 2009 to block the road linking Sarajevo to Mostar (as well as the Croatian coast).

HighRep Takes Action

13. (C) Responding to the pressure from Mostar, HighRep

Valentin Inzko on July 29 issued three decisions to extend temporary financing for the Mostar government, although the HighRep elected not to become involved in the mayoral decision. These decisions allow Mostar city employees to receive their salaries for services rendered between April and September 2009 but do not provide funds to cover the salaries of City Councilors, political parties, or parliamentary groups. SDA has complained that Inzko's decisions allow HDZ-BiH to protract the mayoral selection process further by relieving public pressure to find a solution (and thereby give up their temporary control of both the mayoral post and the chairmanship of the City Council, which, by Statute, cannot come from the same ethnic group). The pro-Bosniak daily Dnevni Avaz on July 30 further argued that the HighRep's decisions "save ordinary people" but demonstrate that the international community lacks the willpower and courage to address Mostar's key problems.

Statutory Woes Impede Progress on Mayor

14. (SBU) The Mostar Statute -- and the varying ways that the High Representatives have interpreted it -- does not provide a clear way out of this logjam. The Statute specifies that the mayor of Mostar shall be an elected councilor from the City Council and can be elected by a two-thirds majority (24 of 35) in the first two rounds of voting. If the first two rounds fail, the mayor may be chosen with a simple majority (18) in the third round. Alternatively, if the third round results in a tie, then, regardless of the number of votes, the younger of the two candidates becomes mayor. (Note: The

SARAJEVO 00000934 002 OF 002

English language term "simple majority" could be interpreted as any majority, including an absolute majority of elected officials, but the Bosnian translation of the phrase necessarily means a majority of those present and voting. The City Council has not formally adopted the Statute, so the only authoritative version is the ambiguous English-language text promulgated by OHR. OHR has traditionally interpreted the Statute to mean that a simple majority of all council members, rather than of council members present and voting, would be required. End Note.) Additionally, the Council -- in defiance of the Statute -- votes openly rather than by secret ballot. As a result, in all 16 rounds of voting thus far, 14 Bosnian Croats have voted for HDZ-BiH's Beslic, three Social Democratic Party (SDP) and four NSRzB council members have abstained, and the 13 of the 14 members of the SDA-Party for BiH (SBiH) coalition have voted for SDA's Suad Hasandedic. The 14th member of the coalition abstains, because in the event of a tie the younger candidate (in this case Beslic) would win.

State-Level Party Leaders Keep Their Distance

15. (C) While SDA president Sulejman Tihic and HDZ-BiH president Dragan Covic have stated publicly and privately that they are willing to compromise to resolve this issue, including through a "power-sharing" arrangement whereby each party would hold the mayoral post for two years, they do not appear to be urging local politicians to make it a priority. Our Mostar-based SDA contacts tell us that there is a clear divergence of political interests between the local SDA branch and the national party leadership, and local SDA officials view pressure on them from Tihic to compromise with HDZ-BiH as his "selling them out" for agreements at the state level that do not benefit them. Our HDZ-BiH contacts in Mostar tell us that Covic is involved in the process but have not indicated that he is pushing his City Council officials to find a solution expeditiously. Both HDZ-BiH and SDA at the local level have made numerous attempts on their own to forge a deal with NSRzB, but they all failed when NSRzB backed out of the agreements.

Comment

16. (C) The HighRep's action to resolve the budget was a welcome move in that it put the lid on a potentially dangerous ethnic flashpoint. However, it is a temporary solution that may well not suffice to push the parties to resolve this issue. Tihic and Covic have invested significant political capital attempting to reach compromises on state-level issues, and they probably will not attempt to force a politically costly compromise with few state-level payoffs on the cusp of the 2010 election campaign, which could informally launch as early as this fall. Bosnian Croats in Mostar are likely to remain content with the current situation, as long as they receive their paychecks and retain both the acting mayor post and the chairmanship of the City Council. Mostar's Bosniaks, already having suffered from the erstwhile budget crisis, may well take to the streets again if the mayoral stalemate continues. All parties involved appear to view the opportunity to blame someone else, including the international community, as more politically advantageous than any compromise they might be able to achieve. Therefore, we may well see this issue come to a head again at the end of September when the current temporary financing expires, and the HighRep may again be faced with the question of whether to intervene.

ENGLISH